

114TH CONGRESS
2D SESSION

H. R. 5308

To require the Secretary of the Treasury to confiscate interest paid on certain frozen bank accounts, to require the Secretary to confiscate certain frozen assets, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 23, 2016

Mr. DONOVAN (for himself, Mr. Sires, Mr. Poe of Texas, and Mr. McCaul) introduced the following bill; which was referred to the Committee on Foreign Affairs, and in addition to the Committee on Homeland Security, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To require the Secretary of the Treasury to confiscate interest paid on certain frozen bank accounts, to require the Secretary to confiscate certain frozen assets, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Terrorist Asset Seizure
5 Reform Act of 2016”.

1 **SEC. 2. CONFISCATION OF ASSETS.**

2 (a) CONFISCATION OF INTEREST.—

3 (1) INITIAL CONFISCATION.—As soon as prac-
4 ticable after the date of the enactment of this Act,
5 but in no case later than 18 months after the date
6 of the enactment of this Act, the Secretary shall re-
7 quire each financial institution to transfer to the
8 Secretary all amounts of interest paid by such finan-
9 cial institution on frozen bank accounts.

10 (2) ONGOING CONFISCATION.—One year after
11 the initial confiscation under paragraph (1), and an-
12 nually thereafter, the Secretary shall require each fi-
13 nancial institution to transfer to the Secretary all
14 amounts of interest paid by such financial institu-
15 tion on frozen bank accounts in the previous year.

16 (3) INTEREST DEPOSITED INTO CONFISCATED
17 ASSETS FUND.—The Secretary shall deposit all
18 amounts received under this subsection into the Con-
19 fiscated Assets Fund.

20 (4) RULE OF CONSTRUCTION.—Paragraphs (1)
21 and (2) shall only apply to interest paid on an ac-
22 count after the account became a frozen bank ac-
23 count.

24 (b) CONFISCATIONS RELATED TO NON-STATE TER-
25 RORISM.—

12 (I) publish public notice that the
13 asset is being frozen or otherwise
14 blocked; and

(ii) if such asset remains frozen or otherwise blocked after the 1-year period described under clause (i)(II), the Secretary shall require the financial institution holding the frozen asset to transfer such asset to the Secretary.

(B) COVERED PERSONS.—A person described in this subparagraph is a person that is—

(i) designated as a foreign terrorist organization under section 219(a) of the Immigration and Nationality Act (8 U.S.C. 1189(a));

(ii) designated as a Specially Designated Global Terrorist by the Department of the Treasury under Executive Order 13224 (50 U.S.C. 1701); or

(iii) a specially designated terrorist, as that term is defined in section 595.311 of title 31, Code of Federal Regulations (or any successor thereto).

1 (c) SAFE HARBOR.—Compliance with this section
2 and any regulation, instruction, or direction issued pursu-
3 ant to this section shall to the extent thereof be a full
4 acquittance and discharge for all purposes of the obliga-
5 tion of the person making the same. No person shall be
6 held liable in any court for or with respect to anything
7 done or omitted in good faith in connection with the ad-
8 ministration of, or pursuant to and in reliance on, this
9 section, or any regulation, instruction, or direction issued
10 pursuant to this section.

11 (d) DEFINITIONS.—For purposes of this section:

12 (1) FINANCIAL INSTITUTION.—The term “fi-
13 nancial institution” has the meaning given that term
14 under section 5312 of title 31, United States Code.

15 (2) FOREIGN PERSON.—The term “foreign per-
16 son” has the meaning given that term under section
17 14 of the Iran Sanctions Act of 1996 (50 U.S.C.
18 1701 note).

19 (3) FROZEN ASSET.—The term “frozen
20 asset”—

21 (A) means an asset of a foreign person or
22 foreign country that has been frozen or other-
23 wise blocked pursuant to sanctions under any
24 provision of United States law, as determined
25 by the Secretary; and

1 (B) does not include—
2 (i) any asset subject to the Vienna
3 Convention on Consular Relations (done at
4 Vienna, April 24, 1963); or
5 (ii) the blocked assets of a terrorist
6 party that are subject to execution and at-
7 tachment pursuant to section 201 of the
8 Terrorism Risk Insurance Act of 2002 (28
9 U.S.C. 1610 note).

10 (4) FROZEN BANK ACCOUNT.—The term “fro-
11 zen bank account” means a deposit account main-
12 tained at a financial institution that consists of fro-
13 zen assets.

16 SEC. 3. CONFISCATED ASSETS FUND.

17 (a) ESTABLISHMENT.—The Secretary of the Treas-
18 ury shall establish a fund to be known as the “Confiscated
19 Assets Fund”.

20 (b) USE OF FUND.—Amounts in the Confiscated As-
21 sets Fund shall be made available to the Administrator
22 of the Federal Emergency Management Agency to provide
23 grants under the Urban Area Security Initiative under
24 section 2003 of the Homeland Security Act of 2002 (6
25 U.S.C. 604).

1 **SEC. 4. REPORTS TO CONGRESS.**

2 (a) GAO STUDY AND REPORT.—

3 (1) IN GENERAL.—Not later than the end of
4 the 6-month period beginning on the date of the en-
5 actment of this Act, the Comptroller General of the
6 United States shall initiate a study on how the Of-
7 fice of Foreign Assets Control of the Department of
8 the Treasury can better track frozen assets, manage
9 data relating to such frozen assets, and improve re-
10 porting to Congress regarding frozen assets across
11 all sanctions programs administered by the Office of
12 Foreign Assets Control.

13 (2) REPORT.—Upon the completion of the
14 study required under paragraph (1), the Comptroller
15 General shall issue a report to the Congress and the
16 Office of Foreign Assets Control of the Department
17 of the Treasury containing—

18 (A) all findings and determinations made
19 in carrying out the study required under para-
20 graph (1); and

21 (B) such recommendations that the Com-
22 troller General may determine appropriate.

23 (b) SECRETARY OF THE TREASURY REPORT.—

24 (1) IN GENERAL.—The Secretary of the Treas-
25 ury, in consultation with the Attorney General, the
26 Secretary of State, and the heads of other appro-

1 appropriate Federal agencies, shall issue an annual report
2 to the Congress containing—

10 (ii) the total amount of frozen assets;
11 (iii) the total amount of frozen assets
12 that were unblocked;

(iv) how many licenses were issued;

14 (v) how many names were added to
15 each list of sanctioned persons; and

16 (vi) how many names were removed
17 from each list of sanctioned persons; and

(B) a detailed justification for each removal of a name from a list of sanctioned persons under each sanctions program for the prior calendar year.

(2) CLASSIFIED ANNEXES.—A report issued under paragraph (1) may contain a classified annex when necessary.

1 (3) CONSIDERATION OF GAO STUDY.—Before
2 issuing a report under paragraph (1), the Secretary
3 of the Treasury shall review any recommendations
4 made by the Comptroller General in the report
5 issued under subsection (a)(2) and include in such
6 report any plans for addressing such recommenda-
7 tions.

8 (c) DEFINITION.—In this section, the term “frozen
9 asset” has the meaning given that term in section 2(d)
10 of this Act.

